

Appendix B

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Press Release

May 7, 2018

Contact: Richard Loconte, 212-709-1691

DFS FINES CHUBB SUBSIDIARY ILLINOIS UNION INSURANCE COMPANY \$1.3 MILLION FOR UNDERWRITING NRA-BRANDED “CARRY GUARD” INSURANCE PROGRAM IN VIOLATION OF NEW YORK INSURANCE LAW

DFS Investigation Found that NRA Carry Guard Insurance Program Unlawfully Provided Liability Insurance to Gun Owners Who May Be Charged with a Crime Involving Legally Possessed Firearms

Illinois Union Provided Underwriting for the NRA, Which Does Not Have a License to Conduct Insurance Business in New York

Insurer Will No Longer Participate in “Carry Guard” or Any Similar Program in New York

Financial Services Superintendent Maria T. Vullo today announced that Chubb Ltd. and Chubb’s subsidiary, Illinois Union Insurance Company, have agreed to pay a \$1.3 million fine as part of a [consent order](#) with the Department of Financial Services (DFS) for underwriting the National Rifle Association-branded “Carry Guard” insurance program, through Lockton Affinity, in violation of New York Insurance Law. Today’s announcement follows a DFS investigation, which found the NRA “Carry Guard” insurance program unlawfully provided liability insurance to gun owners for acts of intentional wrongdoing, and improperly provided legal services insurance for costs and expenses, for any act of self-defense covered under the policy for gun owners and their resident family members who may be charged with a crime involving a legally possessed firearm. Lockton Affinity is licensed by the Department to act as an excess line insurance broker. The NRA, which does not have a license from DFS to conduct insurance business in New York, actively marketed and solicited for the “Carry Guard” program through a website, email, and direct mail, among other channels.

“Today’s action is another step in addressing the unlicensed and improper activity connected with the NRA’s unlawful “Carry Guard” program,” said Superintendent Vullo. “DFS will continue its comprehensive investigation into this matter to ensure that New York Insurance Law is enforced and that consumers are no longer conned into buying so-called ‘self-defense’ insurance coverage.”

The “Carry Guard” program provided coverage in any criminal proceeding against the policyholder or the policyholder’s family members, including coverage for bail money, premiums on bonds, attorney consultation fee and retainer expenses, expenses incurred for the investigation or defense of criminal charges, and costs taxed against the insured or the insured’s resident family member in a criminal proceeding arising out of a shooting. The policy further covered expenses incurred by the policyholder for psychological counseling support for the insured or the policyholder’s resident family member.

In addition to the fine, Illinois Union agrees to refrain from:

- Participating in the Carry Guard insurance program, or any similar program in New York and from providing Carry Guard or similar insurance policies for or to New York residents regardless of where they are written.
- Entering into any other agreement or arrangement, including any affinity-type insurance program involving any line of insurance involving a contract of insurance involving the NRA, directly or indirectly.
- Issuing or delivering insurance policies covering a New York resident, that:
 - Provides liability insurance for any act of intentional wrong doing; or
 - Provides legal services insurance in a civil or criminal proceeding, including, but not limited to, insurance for bail money, premiums on bonds, attorney consultation fee and retainer expenses, expenses incurred for the investigation or defense of criminal charges, and costs taxed against the insured or the insured’s resident family member in a criminal proceeding.

- Issuing or delivering insurance policies covering New York residents that provides insurance for expenses incurred for psychological counseling support, because Illinois Union is not authorized to provide such insurance.

Illinois Union must also provide notice to New York policyholders within 10 business days of the execution of the consent order that Illinois Union is canceling all Carry Guard insurance policies 90 days from the date of notice, and must return the policy holders' premiums.

A copy of the consent order can be found [here](#).

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